

Adopted	Rejected
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COMMITTEE REPORT

YES:	23
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1480, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 5, between lines 22 and 23, begin a new paragraph and insert:
- 2 "SECTION 7. IC 6-1.1-10-16.7, AS ADDED BY P.L.19-2000,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2002]: Sec. 16.7. Real property is exempt from property
- 5 taxation if:
- 6 (1) the real property is located within:
- 7 (A) a county containing a consolidated city; **or**
- 8 (B) **a county having a population of more than thirty-eight**
- 9 **thousand five hundred (38,500) but less than thirty-nine**
- 10 **thousand (39,000);**
- 11 (2) the real property is owned by an Indiana corporation;
- 12 (3) the improvements on the real property were constructed,
- 13 rehabilitated, or acquired for the purpose of providing housing to
- 14 income eligible persons under the federal low income housing tax
- 15 credit program under 26 U.S.C. 42;
- 16 (4) the real property is subject to an extended use agreement

- 1 under 26 U.S.C. 42 as administered by the Indiana housing
- 2 finance authority; and
- 3 (5) the owner of the property has entered into an agreement to
- 4 make payments in lieu of taxes under **IC 36-2-6-22 or**
- 5 **IC 36-3-2-11."**
- 6 Page 10, line 39, reset in roman "file a return for".
- 7 Page 10, line 40, reset in roman "each calendar month and".
- 8 Page 10, line 41, reset in roman "that".
- 9 Page 10, line 41, delete "each calendar".
- 10 Page 10, line 41, delete "The payment shall".
- 11 Page 10, delete line 42.
- 12 Page 11, line 1, delete "following month."
- 13 Page 11, line 1, reset in roman "for a particular".
- 14 Page 11, line 2, reset in roman "month".
- 15 Page 11, line 2, reset in roman "and make the person's tax payment
- 16 for that".
- 17 Page 11, reset in roman lines 3 through 12.
- 18 Page 11, line 13, reset in roman "of that month."
- 19 Page 11, line 13, delete "for each calendar quarter. The return shall
- 20 be filed".
- 21 Page 11, delete line 14.
- 22 Page 11, line 40, reset in roman "the last day of the month".
- 23 Page 11, line 41, reset in roman "immediately".
- 24 Page 11, line 41, delete "twenty (20) days".
- 25 Page 24, line 25, delete "[EFFECTIVE JULY 1, 2001]" and insert
- 26 "[EFFECTIVE UPON PASSAGE]".
- 27 Page 24, line 41, after "(c)" insert ",".
- 28 Page 24, line 41, strike "and".
- 29 Page 24, line 41, after "(g)," insert "**and (j),**".
- 30 Page 25, line 10, after "(h)" insert ",".
- 31 Page 25, line 10, strike "or".
- 32 Page 25, line 10, after "(i)," insert "**or (j),**".
- 33 Page 26, between lines 16 and 17, begin a new paragraph and insert:
- 34 "**(j) This subsection applies to a county having a population of**
- 35 **more than twenty-seven thousand (27,000) but less than**
- 36 **twenty-seven thousand three hundred (27,300). In addition to the**
- 37 **rates permitted under subsection (b):**
- 38 **(1) the county economic development income tax may be**

1 imposed at a rate of twenty-five hundredths percent (0.25%);
2 and

3 (2) the sum of the county economic development income tax
4 rate and the county adjusted gross income tax rate that are in
5 effect on January 1 of a year may not exceed one and
6 five-tenths percent (1.5%);

7 if the county council makes a determination to impose rates under
8 this subsection and section 22.5 of this chapter."

9 Page 27, between lines 9 and 10, begin a new paragraph and insert:

10 "SECTION 32. IC 6-3.5-7-22.5 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE UPON PASSAGE]: Sec. 22.5. (a) This section applies
13 to a county having a population of more than twenty-seven
14 thousand (27,000) but less than twenty-seven thousand three
15 hundred (27,300).

16 (b) In addition to the rates permitted by section 5 of this
17 chapter, the county council may impose the county economic
18 development income tax at a rate of twenty-five hundredths
19 percent (0.25%) on the adjusted gross income of county taxpayers
20 if the county council makes the finding and determination set forth
21 in subsection (c).

22 (c) In order to impose the county economic development income
23 tax as provided in this section, the county council must adopt an
24 ordinance finding and determining that revenues from the county
25 economic development income tax are needed to pay the costs of
26 financing, constructing, acquiring, renovating, and equipping the
27 county courthouse and renovating the former county hospital for
28 additional office space, educational facilities, nonsecure juvenile
29 facilities, and other county functions, including the repayment of
30 bonds issued, or leases entered into, for constructing, acquiring,
31 renovating, and equipping the county courthouse and renovating
32 the former county hospital for additional office space, educational
33 facilities, nonsecure juvenile facilities, and other county functions.

34 (d) If the county council makes a determination under
35 subsection (c), the county council may adopt a tax rate under
36 subsection (b). The tax rate may not be imposed at a rate or for a
37 time greater than is necessary to pay the costs of financing,
38 constructing, acquiring, renovating, and equipping the county

1 courthouse and renovating the former county hospital for
 2 additional office space, educational facilities, nonsecure juvenile
 3 facilities, and other county functions.

4 (e) The county treasurer shall establish a county courthouse
 5 revenue fund to be used only for the purposes described in this
 6 section. County economic development income tax revenues
 7 derived from the tax rate imposed under this section shall be
 8 deposited in the county courthouse revenue fund before making a
 9 certified distribution under section 11 of this chapter.

10 (f) County economic development income tax revenues derived
 11 from the tax rate imposed under this section:

12 (1) may only be used for the purposes described in this
 13 section;

14 (2) may not be considered by the state board of tax
 15 commissioners in determining the county's maximum
 16 permissible property tax levy limit under IC 6-1.1-18.5; and

17 (3) may be pledged to the repayment of bonds issued, or leases
 18 entered into, for the purposes described in subsection (c).

19 (g) A county described in subsection (a) possesses:

20 (1) unique fiscal challenges to finance the operations of county
 21 government due to the county's ongoing obligation to repay
 22 amounts received by the county due to an overpayment of the
 23 county's certified distribution under IC 6-3.5-1.1-9 for a prior
 24 year; and

25 (2) unique capital financing needs due to the imminent
 26 transfer from the governing board of the county hospital of
 27 facilities no longer needed for hospital purposes and the need
 28 to undertake immediate improvements in order to make those
 29 facilities suitable for use by the county for additional office
 30 space, educational facilities, nonsecure juvenile facilities, and
 31 other county functions."

32 Page 62, between lines 15 and 16, begin a new paragraph and insert:

33 "SECTION 78. IC 36-2-6-22 IS ADDED TO THE INDIANA CODE
 34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2001]: Sec. 22. (a) As used in this section, the following terms
 36 have the meanings set forth in IC 6-1.1-1:

37 (1) Assessed value.

38 (2) Exemption.

1 **(3) Owner.**

2 **(4) Person.**

3 **(5) Property taxation.**

4 **(6) Real property.**

5 **(7) Township assessor.**

6 **(b) As used in this section, "PILOTS" means payments in lieu**
7 **of taxes.**

8 **(c) As used in this section, "property owner" means the owner**
9 **of real property described in IC 6-1.1-10-16.7 that is located in a**
10 **county having a population of more than thirty-eight thousand five**
11 **hundred (38,500) but less than thirty-nine thousand (39,000).**

12 **(d) Subject to the approval of a property owner, the fiscal body**
13 **of a county may adopt an ordinance to require the property owner**
14 **to pay PILOTS at times set forth in the ordinance with respect to**
15 **real property that is subject to an exemption under**
16 **IC 6-1.1-10-16.7. The ordinance remains in full force and effect**
17 **until repealed or modified by the legislative body, subject to the**
18 **approval of the property owner.**

19 **(e) The PILOTS must be calculated so that the PILOTS are in**
20 **an amount equal to the amount of property taxes that would have**
21 **been levied upon the real property described in subsection (d) if the**
22 **property were not subject to an exemption from property taxation.**

23 **(f) PILOTS shall be imposed in the same manner as property**
24 **taxes and shall be based on the assessed value of the real property**
25 **described in subsection (d). The township assessors shall assess the**
26 **real property described in subsection (d) as though the property**
27 **were not subject to an exemption.**

28 **(g) PILOTS collected under this section shall be distributed in**
29 **the same manner as if they were property taxes being distributed**
30 **to taxing units in the county.**

31 **(h) PILOTS shall be due as set forth in the ordinance and bear**
32 **interest, if unpaid, as in the case of other taxes on property.**
33 **PILOTS shall be treated in the same manner as taxes for purposes**
34 **of all procedural and substantive provisions of law.**

35 **SECTION 79. IC 36-7-26-1 IS AMENDED TO READ AS**
36 **FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter applies**
37 **to the following:**

38 **(1) A city having a population of more than seventy-five thousand**

(75,000) but less than ninety thousand (90,000).

(2) A city having a population of more than ninety thousand (90,000) but less than one hundred ten thousand (110,000).

SECTION 80. IC 36-7-26-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14. **(a)** Whenever a commission determines that the redevelopment and economic development of an area situated within the commission's jurisdiction may require the establishment of a district, the commission shall cause to be assembled data sufficient to make the determinations required under section 15 of this chapter, including the following:

(1) Maps and plats showing the boundaries of the proposed district.

(2) A complete list of street names and the range of street numbers of each street situated in the proposed district.

(3) A plan for the redevelopment and economic development of the proposed district. The plan must describe the local public improvements necessary or appropriate for the redevelopment or economic development.

(b) For a city described in section 1(2) of this chapter, the proposed district must contain a commercial retail facility with at least five hundred thousand (500,000) square feet, and any distributions from the fund must be used in the area described in subsection (a) or in areas that directly benefit the area described in subsection (a).

SECTION 81. IC 36-7-26-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 23. (a) Before the first business day in October of each year, the board shall require the department to calculate the net increment for the preceding state fiscal year. The department shall transmit to the board a statement as to the net increment in sufficient time to permit the board to review the calculation and permit the transfers required by this section to be made on a timely basis.

(b) There is established a sales tax increment financing fund to be administered by the treasurer of state. The fund is comprised of two (2) accounts called the net increment account and the credit account.

(c) On the first business day in October of each year, that portion of the net increment calculated under subsection (a) that is needed:

(1) to pay debt service on the bonds issued under section 24 of

1 this chapter or to pay lease rentals under section 24 of this
2 chapter; and

3 (2) to establish and maintain a debt service reserve established by
4 the commission or by a lessor that provides local public
5 improvements to the commission;

6 shall be transferred to and deposited in the fund and credited to the net
7 increment account. Money credited to the net increment account is
8 pledged to the purposes described in subdivisions (1) and (2), subject
9 to the other provisions of this chapter.

10 (d) On the first business day of October in each year, the remainder
11 of:

12 (1) eighty percent (80%) of the gross increment; minus

13 (2) the amount credited to the net increment account on the same
14 date;

15 shall be transferred and credited to the credit account.

16 (e) The remainder of:

17 (1) the gross increment; minus

18 (2) the amounts credited to the net increment account and the
19 credit account;

20 shall be deposited by the auditor of state as other gross retail and use
21 taxes are deposited.

22 **(f) A city described in section 1(2) of this chapter may receive**
23 **not more than fifty percent (50%) of the net increment each year.**
24 **During the time a district exists in a city described in section 1(2)**
25 **of this chapter, not more than a total of one million dollars**
26 **(\$1,000,000) of net increment may be paid to the city described in**
27 **section 1(2) of this chapter.**

28 ~~(f)~~ (g) The auditor of state shall disburse all money in the fund that
29 is credited to the net increment account to the commission in equal
30 semiannual installments on November 30 and May 31 of each year.

31 SECTION 82. IC 36-7-26-24 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 24. (a) The commission
33 may issue bonds, payable in whole or in part, from money distributed
34 from the fund to the commission, to finance a local public improvement
35 under IC 36-7-14-25.1 or may make lease rental payments for a local
36 public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The
37 term of any bonds issued under this section may not exceed twenty (20)
38 years, nor may the term of any lease agreement entered into under this

1 section exceed twenty (20) years. The commission shall transmit to the
 2 board a transcript of the proceedings with respect to the issuance of the
 3 bonds or the execution and delivery of a lease agreement as
 4 contemplated by this section. The transcript must include a debt service
 5 or lease rental schedule setting forth all payments required in
 6 connection with the bonds or the lease rentals.

7 (b) On January 15 of each year, the commission shall remit to the
 8 treasurer of state the money disbursed from the fund that is credited to
 9 the net increment account that exceeds the amount needed to pay debt
 10 service or lease rentals and to establish and maintain a debt service
 11 reserve under this chapter in the prior year and before May 31 of that
 12 year. Amounts remitted under this subsection shall be deposited by the
 13 auditor of state as other gross retail and use taxes are deposited.

14 (c) **The commission in a city described in section 1(2) of this**
 15 **chapter may only distribute money from the fund for road,**
 16 **interchange, and right-of-way improvements and for real property**
 17 **acquisition costs in furtherance of the road, interchange, and**
 18 **right-of-way improvements."**

19 Page 62, between lines 25 and 26, begin a new paragraph and insert:
 20 "SECTION 86. [EFFECTIVE JANUARY 1, 2002]
 21 **IC 6-1.1-10-16.7, as amended by this act, applies only to property**
 22 **taxes first due and payable after December 31, 2001.**

23 SECTION 87. [EFFECTIVE UPON PASSAGE] (a)
 24 **Notwithstanding IC 6-3.5-7-5, as amended by this act, the county**
 25 **council of a county described in IC 6-3.5-7-5(j), as added by this**
 26 **act, may adopt an ordinance to increase the county's county**
 27 **economic development income tax rate after March 31, 2001.**

28 (b) **Notwithstanding IC 6-3.5-7-5(e), as amended by this act, an**
 29 **ordinance adopted under this SECTION takes effect January 1,**
 30 **2002.**

31 (c) **This SECTION expires January 2, 2002.**

32 SECTION 88. [EFFECTIVE JANUARY 1, 1999
 33 (RETROACTIVE)]: (a) **This SECTION applies to a property owner**
 34 **that:**

35 (1) **before January 1, 2000, received a notice from a town in**
 36 **a county having a population of more than fifty thousand**
 37 **(50,000) but less than sixty thousand (60,000) that the town**
 38 **approved of the allowance of assessed value deductions to the**

1 property owner under IC 6-1.1-12.1;

2 (2) has fulfilled all expectations of the town concerning job
3 creation or retention, capital investment, and other
4 requirements imposed by the town; and

5 (3) is not eligible for the assessed value deductions under
6 IC 6-1.1-12.1 because of the failure of the property owner to
7 comply with one (1) or more requirements of IC 6-1.1-12.1.

8 (b) Notwithstanding IC 6-1.1-12.1, the town may grant the
9 assessed value deductions under IC 6-1.1-12.1 to a property owner
10 described in subsection (a) if, before July 1, 2001, both the
11 property owner and the town complete all the procedures required
12 by IC 6-1.1-12.1, the completion of which would have been
13 necessary, before the enactment of this SECTION, for the property
14 owner to be eligible for the assessed value deductions and for the
15 town to grant the deductions.

16 (c) If the town grants the assessed value deductions under
17 subsection (b), the county auditor and the township assessor shall
18 perform their functions under IC 6-1.1-12.1 to allow the deduction.

19 (d) Assessed value deductions granted under this SECTION
20 apply to property taxes first due and payable after December 31,
21 1999. However, the interest provided for in IC 6-1.1-37-11 does not
22 apply to a property tax refund due the property owner as a result
23 of this SECTION.

24 (e) This SECTION expires July 2, 2001."

25 Renumber all SECTIONS consecutively.

(Reference is to HB 1480 as introduced.)

and when so amended that said bill do pass.

Representative Bauer